

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

ARK LABORATORY, LLC,

Debtor.

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Chapter 11  
Case No. 23-43403  
Hon. Maria L. Oxholm

**MOTION OF MCLAREN MEDICAL LABORATORY FOR  
ALLOWANCE OF ADMINISTRATIVE EXPENSE CLAIM**

McLaren Medical Laboratory (“McLaren”), a subsidiary of McLaren Health Care Corporation, by its undersigned counsel, states its Motion for Allowance of Administrative Expense Claim (the “Motion”) as follows:

**BACKGROUND**

1. At the time this chapter 11 case was filed, McLaren and the Debtor were parties to a certain Laboratory Services Agreement dated August 23, 2021 (the “Agreement”). Pursuant to the Agreement, during this chapter 11 case, McLaren provided to the Debtor, on a daily basis, certain clinical and anatomic pathology diagnostic testing services (the “Post-petition Services”).

2. The Agreement was rejected as of 11:59 p.m. on July 26, 2023 (the “Rejection Date”) pursuant to the *Order Rejecting Contract with McLaren Medical Laboratory* [Doc. No. 255].

3. Debtor has not paid McLaren for all of the Post-petition Services provided to Debtor from the inception of this chapter 11 through the Rejection Date.

4. As of the Rejection Date, Debtor owes McLaren \$138,413.83 for the Post-petition Services. McLaren has rendered regular statement of account to the Debtor, and the Debtor is fully aware of the amount owed for the Post-petition Services. McLaren has not attached the supporting invoices to this Motion, as they contain protected health information, such as patient names and tests performed, and are voluminous.

### **JURISDICTION**

5. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The venue of this case and this Motion is proper under 28 U.S.C. §§ 1408 and 1409.

### **RELIEF REQUESTED**

6. Pursuant to Section 503(b)(1)(A) of the Bankruptcy Code, McLaren is entitled to the allowance of an administrative expense claim for the Post-Petition Services provided to the Debtor (the “Administrative Claim”). Accordingly, McLaren respectfully requests that this Court enter an order allowing the Administrative Claim.<sup>1</sup>

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<sup>1</sup> Pursuant to the *Order Rejecting Contract with McLaren Medical Laboratory* [Doc. No. 255], “McLaren’s allowed Administrative Expense Claim shall be paid pursuant

## ARGUMENT

7. Section 503(b)(1)(A) of the Bankruptcy Code expressly provides that an administrative expense “shall be allowed” for “the actual, necessary costs and expenses of preserving the estate.” 11 U.S.C. § 503(b)(1)(A).

8. Courts generally apply a two-part test in determining whether a claimant such as McLaren is entitled to payment of administrative expenses: its claim “(1) arose from a transaction with the debtor-in-possession as opposed to the preceding entity (or, alternatively, that the claimant gave consideration to the debtor-in-possession); and (2) directly and substantially benefited the estate.” Employee Transfer Corp. v. Grigsby (In re White Motor Corp.), 831 F.2d 106, 110 (6th Cir. 1987).

9. Here, the two-part test is readily satisfied. Debtor continued to send blood samples to McLaren for laboratory services under the Agreement. Post-petition, Debtor has availed itself of the benefits of the Agreement. Debtor’s bankruptcy estate received direct and indirect benefits from the Post-Petition Services. Therefore, McLaren is entitled to an Administrative Claim on account of the Post-Petition Services.

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to the Debtor’s Combined Disclosure Statement and Plan of Liquidation [Doc. No. 249], as same may be amended, or other Order of this Court.”

## **CONCLUSION**

WHEREFORE, McLaren Medical Laboratory respectfully requests that the Court enter an order allowing the Administrative Claim for \$138,413.83, and granting such further and other relief as the Court deems just and proper.

Respectfully submitted,

MADDIN, HAUSER, ROTH & HELLER, P.C.

By: /s/ Julie Beth Teicher

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Dated: September 27, 2023

**EXHIBIT 1**

UNITED STATES BANKRUPTCY COURT  
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**ORDER ALLOWING ADMINISTRATIVE EXPENSE CLAIM  
OF MCLAREN MEDICAL LABORATORY**

THIS MATTER is before the Court on the *Motion of McLaren Medical Laboratory for Allowance of Administrative Expense Claim* [Doc. No. \_\_] (the “Motion”). The Motion has been duly served on all parties in interest. The Court is advised that there were no objections to the Motion, or any objections have been resolved or withdrawn. The Court finds good cause for entry of this Order and is otherwise fully advised in the premises.

NOW THEREFORE,

IT IS HEREBY ORDERED that McLaren Medial Laboratory has an allowed administrative expense claim pursuant to 11 U.S.C. §503(b)(1)(A) in the amount of \$138,413.83 (the “Allowed Administrative Expense Claim”).

IT IS FURTHER ORDERED that the Allowed Administrative Expense Claim shall be paid pursuant to the Debtor's Combined Disclosure Statement and Plan of Liquidation [Doc. No. 249], as same may be amended, or other Order of this Court.

## **EXHIBIT 2**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

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**NOTICE OF OPPORTUNITY TO RESPOND OR REQUEST HEARING  
PURSUANT TO LBR 9014-1 UPON MOTION OF  
MCLAREN MEDICAL LABORATORY FOR ALLOWANCE  
OF ADMINISTRATIVE EXPENSE CLAIM**

PLEASE TAKE NOTICE that McLaren Medical Laboratory has filed its Motion for Allowance of Administrative Expense Claim (the “Motion”).

**Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)**

If you want the Court to consider your views on the Motion, within 14 days, you or your attorney must:

Electronically file with the court a written response or an answer explaining your position. This response or answer must comply with LBR 9014-1. You may find more information regarding electronic filing at the Court’s website, [www.mieb.uscourts.gov](http://www.mieb.uscourts.gov).

If you mail your response to the court for filing, you must mail it early enough so the court will **receive** it on or before the date stated above. The address for mailing is:

Clerk of the Court  
United States Bankruptcy Court  
211 West Fort Street  
Detroit, Michigan 48226

You must also serve a copy on:

Julie Beth Teicher, Esq.  
Maddin, Hauser, Roth & Heller, P.C.  
428400 Northwestern Hwy., Suite 200  
Southfield, MI 48034  
(248) 354-4030  
jteicher@maddinhauser.com

**If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion and may enter an order granting that relief.**

Respectfully submitted,

MADDIN, HAUSER, ROTH & HELLER, P.C.

By: /s/ Julie Beth Teicher

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Dated: September 27, 2023



**EXHIBIT 4**

IN THE UNITED STATES BANKRUPTCY COURT  
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**CERTIFICATE OF SERVICE**

I certify that on September 27, 2023, the Motion of McLaren Medical Laboratory for Allowance of Administrative Expense Claim, Proposed Order, Notice of Opportunity to Respond or Request Hearing Pursuant to LBR 9014-1 and this Certificate of Service were filed with the Clerk of the Court for the U.S. Bankruptcy Court, Eastern District of Michigan using the ECF system and a copy of said documents were sent to all parties attorneys of record herein using said ECF system on said date.

MADDIN, HAUSER, ROTH & HELLER, P.C.

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Dated: September 27, 2023